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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/758,239	01/12/2001	Mark Landesmann	084561/0103	7844

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EXAMINER

LE, KHANH H

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 12/31/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/758,239

Applicant(s)

LANDESMANN, MARK

Examiner

Khanh H. Le

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 10/23/03 (Pre-Amendment).
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 181-199 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 181-199 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 12 January 2001 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. §§ 119 and 120**

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 5,6,14.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

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### **Detailed Action**

1a. This Office Action is in response to the original application and the Preliminary Amendment dated October 23, 2003. As requested, claims 1-180 are cancelled. New claims 181-199 have been added.

Claims 181, 196, 197, 198 are independent.

### **Objections to Drawings**

1b. The drawings are objected to under 37 CFR 1.83(a) because items 10 in Figure 1 are not labeled as described in the specification. Any structural detail that is essential for a proper understanding of the disclosed invention should be shown in the drawing. MPEP § 608.02(d). A proposed drawing correction or corrected drawings are required in reply to the Office action to avoid abandonment of the application. The objection to the drawings will not be held in abeyance.

### ***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

*Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.*

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**3. Claims 181, all its dependents (i.e. claims 182-195) and claim 197 are rejected under 35 U.S.C. 101 because the claimed inventions are directed to non-statutory subject matter.**

The fundamental test for patent eligibility is to determine whether the claimed invention produces a “useful, concrete and tangible result.” Here, as to independent claims 181, all of its dependent claims, and claim 197, there is no tangible result: there is only simply a mathematical construct claimed, such as a disembodied data structure (purchase histories scores) and methods of processing it. The claims involve no more than a manipulation of an abstract idea and therefore, is nonstatutory under 35 U.S.C. § 101. The independent claims need to be amended so that the abstract idea of a data structure become capable of producing a useful result when it was fixed in a tangible medium which enables its functionality to be realized. See *In re Warmerdam*, 33 F.3d 1354, 31 USPQ2d 1754 (Fed. Cir. 1994).

Further, claims 181, all its dependents, and claim 197 have no connection to the technological arts. (See e.g., *Ex parte Bowman*, 61 USPQ2d 1669 (BdPatApp&Int 2001) which is not cited for precedential value but because the analysis is helpful). None of the steps recited in those claims indicate any connection to a computer. “Deriving one score” or “distributing the incentives” of claim 181 could be done manually. All the other steps in claims 181, all its dependents, and claim 197 can be done manually or by purely mental processes.

To overcome this rejection, the Examiner recommends the Applicant amends the claims to better clarify that the method steps are being performed within the technological arts, such as incorporating a computer-implemented step in at least one step of the body of the independent claims.

Please note the method and system claims are rejected under this section because the preamble is not usually accorded patentable weight.

**Claims Rejections. 35 U.S.C. 102**

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

**5. Claims 181-183, 185-188, 190-198 are rejected under 35 U.S.C. 102(e) as being anticipated by Day, US 6484146, hereinafter Day.**

**Summary of Day:**

Day discloses presenting specialized benefits based on actual purchasing behavior information (abstract). Day teaches the desirability of knowing who buys from competitors so to provide competitive offers (col. 1 l. 50-55; col.2 l. 13-15; col. 2 l. 12+). Day also discloses the desirability of using actual purchasing records, other than at the electronic point of sales, in order to achieve that relevant targeting goal ( col. 1 l. 60-col.2 l. 2).

Thus Day discloses:

**Claim 181. A computer-implemented advertising method, comprising:**

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a system identifying a budget limit (see at least col. 14 lines 52-56, col. 6 lines 57-60 : “maximum limit”)

and a different incentive function (see at least col.4 lines 18-31, use of “targeting parameters” to derive an incentive implies use of an certain incentive function or relationship to link the parameter to the incentive) associated with each of a plurality of advertisers;

deriving at least one score for each of a first plurality of buyer entities (see at least col.4 lines 18-31, “targeting parameter” is interpreted as a score),

wherein the at least one score: is updated based on at least one of an entry of a new purchase record,

(see at least col.7 line 66- col. 8 line 30: Day’s disclosure of monitoring of redemption of offers and modifying the offers based on the new data is interpreted as the earlier score (based e.g. on category) is being updated so that offers may be modified based on the new data.)

for each of a second plurality of the buyer entities, selecting a plurality of incentives, with each of the incentives associated with at least one different advertiser, based on the at least one score and the incentive function (see at least col.4 lines 18-31; col. 14 lines 52-56; col. 6 lines 57-60),

wherein the selecting of each of the incentives includes determining an amount of the incentive based at least in part on the incentive function (see at least col.4 lines 18-31; col. 14 lines 52-56; col. 6 lines 57-60), associated with the advertiser who is associated with the incentive;

determining a particular distribution priority associated with each of the incentives for each of the buyer entities based at least in part on the at least one score (see at least col. 14 lines 52-56; col. 6 lines 57-60: when, e.g., the maximum discount is accepted, the offer is no longer distributed i.e. the distribution priority changed) and

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distributing a plurality of the incentives (see at least Figure 1, item 24 and associated text; col. 4 line 66+),

with each incentive distributed based on its associated distribution priority for the buyer entity (see at least col. 14 lines 52-56; col. 6 lines 57-60: when, e.g., the maximum discount is accepted, the offer is no longer distributed i.e. the distribution priority changes) receiving the incentive and the budget limit (see at least col. 14 lines 52-56; col. 6 lines 57-60: "maximum").

Claims 182 and 183 (dependent on claim 181).

Day further discloses the at least one score is calculated based on data received from the associated buyer entity and the data corresponds to purchase records.  
(see at least col.4 lines 18-31, "targeting parameter" is interpreted as a calculated score based on data received indirectly from the buyer based on the quantity of goods bought, per categories, which is interpreted as "purchase records").

Claim 185 (dependent on claim 181).

Day discloses the incentives are distributed via a plurality of distribution channels (see at least col. 5 lines 2-4).

Claim 186 (dependent on claim 181).

Day further discloses the incentives are selected using at least one threshold (see at least col.4 lines 18-31, "targeting parameter" as a quantity bought of a certain product category is interpreted as threshold).

Claim 187 (dependent on claim 181).

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Day further discloses the incentives are selected upon the at least one score being updated (see at least col.7 line 66- col. 8 line 30).

Claim 188 (dependent on claim 181).

Day further discloses the incentives are selected on a periodic basis (see at least col. 5 lines 27-43: every time the buyer shops).

Claim 190 (dependent on claim 181).

Day further discloses the incentives are selected automatically (see at least col.7 line 66- col. 8 line 30).

Claim 191 (dependent on claim 181).

Day further discloses the incentives are selected from a plurality of different incentives (see at least col.7 line 66- col. 8 line 30: automatically increasing the value of a special offer implies there is a plurality of different incentives to choose from).

Claim 192 (dependent on claim 181).

Day further discloses the distribution priority is determined based on at least one of a date, a time, the budget limit, and previous buyer entity responses (see at least col. 14 lines 52-56; col. 6 lines 57-60).

Claim 193 (dependent on claim 181).

Day further discloses an interface provides access for the advertisers to a database of database information related to the buyer entities (see at least col. 3 line 65-col. 4 line 31).



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Claim 194 (dependent on claim193).

Day further discloses the interface receives queries and provides the database information in response to the queries (see at least col. 3 line 65-col. 4 line 31).

Claim 195 (dependent on claim194).

Day further discloses decisions are capable of being made regarding the incentives based on the database information (see at least col. 3 line 65-col. 4 line 31).

Claims 196 and 197, which parallel method claim 181 in computer program and system formats are rejected on the same basis.

Claim198.

The features of claim 198 which are common to those of method claims 181, 194, 195, addressed above, are rejected on the same basis.

Further Day discloses .. the at least one score being updated based on at least three of an entry of a new purchase record, information indicating that at least one incentive has been accepted, information regarding follow-up purchases (see at least col.7 line 66- col. 8 line 30: Day's disclosure of monitoring of redemption of offers and modifying the offers based on the new data is interpreted as the earlier score (based e.g. on category) is being updated so that offers may be modified based on the new data. Further the monitored redemption of offers constitutes all 3 types of data :a new purchase record, information indicating that at least one incentive has been accepted, information regarding follow-up purchases).

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

*(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.*

7. **Claims 184, and 189 are rejected under 35 U.S.C. 103(a) as being unpatentable over Day.**

Claim 184 (dependent on claim 181).

Day does not specifically disclose the at least one score is indicative of a probability that the associated buyer entity will become a customer of the advertisers. However Day discloses “targeting parameter”, interpreted as a calculated score, based on actual purchases as discussed above (see at least col.4 lines18-31). Further Day discloses evaluating (scoring)a customer’s loyalty to a competitor based on his/her quantity and/or frequency of purchases from the competitor (see at least col.4 lines 18-31: e.g. buying “80% of the time”) with the intent of offering specific incentives to entice such customers away from the competitor (see at least col. 4 lines 13-31). In view of these Day teachings, it would have been obvious to one of ordinary skill in the art, at invention time, to add calculating the probability that the buyer may become a customer of the advertisers (for example a “80% of a time buyer” may be viewed as a 20% potential switcher) to Days’ teachings because such probability expressions would be just another way to express the “target parameters” as taught by Day, based on which to fashion such specific incentives, also as taught by Day.

Claim 189 (dependent on claim 181).

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Day does not specifically disclose the incentives are selected manually. In view of Day's teachings of automatic selecting/dispensing of incentives, it would have been obvious to one of ordinary skill in the art, at invention time, to revert to the slower process of doing all these steps manually, if the system lacks the capability to so process automatically. The result is the same, as expected, albeit slower, thus the claim cannot be patentable.

**9. Claim 199 is rejected under 35 U.S.C. 103(a) as being unpatentable over Day in view of Gardenswartz et al, US 6298330 B, hereinafter Gardenswartz.**

Claim 199 (dependent on claim 198).

Day discloses the database information includes information received from the buyer entities, (via the store computers) (see at least col. 3 line 65-col. 4 line 31). Day does not specifically disclose that specific names of customers are not released to advertisers. However, Gardenswartz discloses protecting consumer identities from advertisers while allowing targeting based on anonymous profiles (col. 13 l. 44-51). It would have been obvious to one of ordinary skill in the art, at invention time, to add that Gardenswartz's teaching to Day in order to protect the customers' privacy as taught by Gardenswartz.

### **Conclusion**

10. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Khanh H. Le whose telephone number is 703-305-0571. The Examiner works a part-time schedule and can normally be reached on Tuesday-Wednesday 9:00-6:00.

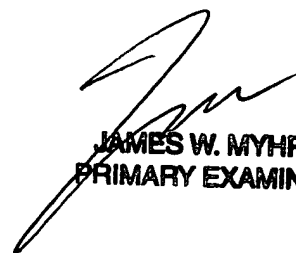
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If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Eric Stamber can be reached on 703-305-8469. The fax phone numbers for the organization where this application or proceeding is assigned are 703-872-9326 for regular communications and 703-872-9327 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

December 10, 2003

  
KHL

  
**JAMES W. MYHRE**  
**PRIMARY EXAMINER**